

# Colchester Housing Focus Group

## January 12, 2005

### Colchester Rescue Building Conference Room

#### Hosts:

Sarah Hadd	Colchester Town Planner
Sharon Murray	Project Consultant, Burnt Rock Inc. Associates in Community Planning
Michael Munson	Project Consultant

#### Participants:

Brett Grabowski	Developer, Milot Real Estate
Rick DeAngelis	VT Housing Conservation Board
John Powell	Lake Champlain Housing Development Corporation
Bill Fitzgerald	Developer, Fitzgerald Builders
Peggy Trainer	Champlain Valley Office of Economic Opportunity
John Fairbanks	Vermont Housing Finance Agency
Amy Demetrowitz	Burlington Community Land Trust
Jeff Kolok	Developer, Severence Corners
David Roy	Colchester Planning Commission
Zafir Bludevich	Colchester Planning Commission
Brian French	Realtor, Century 21
Bob Campbell	Colchester Selectboard, CCRPC Housing Committee
Tim Fluck	Chittenden County Regional Planning Commission
Al Voegelé	Colchester Town Manager
Amy Wright	Cathedral Square Corporation

#### Housing Needs

There is a regional housing shortage. Regional demand must be met through local supply.

More starter homes are needed to help build homeowner equity.

BCLT – assists 35-40 households/year throughout the county; there's a huge demand for existing units, averaging 14 households on the waiting list/unit. Price range: \$65,000 – \$200,000. Most buyers are at ~75% of median income. Resales are generally more affordable; new homes at less than \$200,000. Operate on a shared equity/ appreciation model.

There is also a waiting list and growing demand for senior housing.

There is a large market for homes less than \$200,000, and up to \$250,000.

Condominiums are now the affordable alternative/starter home.

There's a definite need for more rental units – hard sell locally, tough to get permitted. The rental market for market rate units is a little healthier – and new units are being built – but there's still a very low vacancy rate for affordable rental units.

There's also a need to help people remain in their homes – CVOEO has assisted 92 households in Colchester that were endager of losing their housing. Need to address maintenance issues.

There are no single family lots left in Chittenden County. People are no longer looking for large lots; they're looking for affordable housing (e.g., projects in Hinesburg, Richmond with smaller lots).

Under the status quo, there will be no affordable housing.

The housing market is complex. There are a lot of needs – renter, starter, elderly, affordable – and we can't focus on meeting just one type of need or demand.

## **Housing Barriers/Challenges**

There are both tangible barriers (e.g., cost of land, infrastructure, etc.) as well as intangible barriers (attitudes) that may be much more difficult to address.

### **Regulations/Permitting Processes:**

The rules can't always be trusted, given how they're interpreted or applied; it varies from one municipality/review board to the next.

Requests for additional studies, etc. take additional time – one project in town took 5 years to approve, another (Severence Corners) 10 years – projects generally take 3-4 years to permit. Time is money – permitting delays add to the cost of development. This is a huge issue.

There is no market incentive to build starter homes. Density is needed to bring the cost of housing down – developers often can't build at allowed densities due to open/green space requirements.

Public works standards are too rigid.

Act 250 is also a real issue – last year's legislative changes weren't sufficient. They did not address appeals (still enable broad appeals to the Environmental Court), or the review criteria (e.g., mitigation of prime agricultural soils, especially within designated growth centers).

Local and state review processes should not provide a forum for neighbor negotiations – boards should stick to the review criteria/rules in making decisions.

### **Infrastructure Limitations:**

Colchester lacks the centralized water and sewer infrastructure to support higher densities of development. Current regulations (e.g., minimum lot sizes) reflect the need for on-site systems.

The fire department, which sets some of the infrastructure standards, is not under municipal control (fire district) and has a lot of political clout in town.

### **Attitudes:**

NIMBYs – neighbors don't like change, feel entitled to have a say regarding what happens on adjoining properties, may unnecessarily hold up process, file appeals

"Vermont Life" – image of Vermont that people want, expect when they move here.

Prejudices against low income groups.

Politically up against the wall – selectboards, voters – cultural attitudes, expectations make it difficult to effect change (in amending/administering regulations, obtaining program funding, support, financing).

Colchester Selectboard – no inherent objections or resistance to housing, including affordable housing, but there are some concerns regarding the fiscal impacts to the community.

Financial attitudes/expectations have also changed – credit card society, don't save for down payments, expectation of early homeownership without much initial investment. This pushes the demand for starter homes. Bad credit histories are a real problem for renters and first-time homebuyers.

## **Housing Options/Strategies**

## **Planning:**

Local planning is critical to define public policy, establish clear town support for housing initiatives, and to backup regulations. Neighborhood concerns should be addressed during the planning rather than the regulatory process. Planning efforts can raise community awareness of housing needs, issues, options. Develop a local housing plan that includes a variety of strategies to meet housing needs within a complex housing market. Clearly identify those areas where housing, including higher densities of residential development, will be allowed under local regulations.

Don't get wrapped up in the numbers. It's important to consider housing in relation to social needs – for community, access to jobs, changing households, etc.

Broaden the definition of “affordable” (as now determined for a four-person household) – especially given that household sizes are decreasing and may include only one wage earner or retired residents on fixed incomes.

## **Regulations:**

Streamline the regulatory process where feasible to lessen unnecessary delays.

Review existing regulatory standards – including public works and fire department standards – and allow for modifications, reductions, or waiver where appropriate (e.g., for affordable housing).

Provide more flexible regulations that allow for smaller lots, reduced setbacks, narrow streets – e.g., new urbanism models, traditional neighborhood design – greater allowed densities, higher ratios.

Eliminate housing density requirements for senior housing (e.g., South Burlington). Providing more senior housing will open up existing housing for others.

Consider inclusionary zoning (e.g., Burlington) with incentives that help reduce the costs of development.

Consider real Incentives such as density bonuses which are preferable to developers – help spread development costs over more units. Developers could also incorporate more affordable units to help market and sell a project locally.

Promote accessory apartments/dwellings as a cost effective means of providing additional housing, and reflect the nature of how we live – adopt more liberal regulations (than recently required by the state), provide information locally on installing accessory dwellings, start a local loan program.

Control resales to keep units affordable.

Support a regional approach to address Act 250, permitting issues, to avoid a “divide and conquer” mentality and reestablish local control.

## **Infrastructure:**

Infrastructure is a regional problem that requires a regional solution – Colchester is currently dependent on other communities for capacity allocations. Consider capacity allocations for residential and affordable housing development once additional capacity becomes available.

A commitment of both municipal and state funding for centralized infrastructure is needed.

Review and consider waivers of infrastructure requirements to help reduce housing development costs.

Consider impact fees, tax increment financing to help cover infrastructure costs associated with new residential development.

Develop local loan programs for structural and infrastructure improvements (e.g., rehabs, accessory apartments).

**Attitudes:**

Provide education, community outreach to promote public support and acceptance of housing – e.g., Housing Awareness Campaign initiatives – highlight good examples. Shift attitudes from “how can we stop this?” to “how can we make this happen?” ([www.housingawareness.org](http://www.housingawareness.org))

Provide information regarding housing needs and options – locally publicize available housing programs.

Promote neighborhood discussions prior to the development/permitting process (e.g., during plan development).

Provide strong leadership from town officials and the business community – neighborhood dialogs help, but the support of local officials is critical – especially to back up adopted housing policies and regulations.

When faced with opposition in the permitting process stick to the regulations, publicly support the work of local review boards.

Establish a local Housing Task Force (e.g., Montpelier), consisting of local officials, housing providers, residents and officials, to identify housing needs, raise community awareness of local housing issues, and to oversee an ongoing strategy to meet local housing needs.

VHFA will be issuing two studies which may be of use locally – one dealing with the fiscal impacts of housing development on communities (tax implications), and a second that focuses on housing as economic development.